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14 March 1979

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WESTERN EUROPE REVIEW

14 March 1979

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Finland: Parliamentary Elections



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The results of the Finnish elections scheduled for 18-19 March are expected to show increased support for the country's four major parties as a group and a growing conservative attitude among the voters.



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The Spanish Election: Appearance and Reality

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As the first emotional reactions to the parliamentary election on 1 March subside, many Spaniards seem to be wondering if Communist leader Carrillo may not have been right when he branded the contest a waste of time and money. Prime Minister Suarez again fell short of a majority and will probably continue to seek consensus on most important issues. Nevertheless, he will be dealing from a stronger position especially in relation to his chief rivals. The Socialist Suarez won this edge over the opposition and a four-year extension of his mandate at the cost of lengthy delays in implementing vital legislation, particularly on the economy and on rules governing regional autonomy. Gains by regional parties, especially in the volatile Basque provinces augur bitter confrontations ahead on this issue.

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Both major parties--Suarez' Union of the Democratic Center and Felipe Gonzalez' Socialist Workers Party--emerged from the election with about the same popular vote and almost the same number of seats as they gained in the last election in June 1977. The Centrists still have a plurality, but they once again fell short of a majority in the crucial lower house. Thus, Suarez will have to choose between distasteful alternatives: forming a coalition--with one or more regional parties--or depending on floating votes for each important bit of legislation.

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To a large extent, the parties' initial responses to the electoral results are colored by preelection hopes or fears that were not realized. The Centrists' elation owes more to their fear of a drubbing at the hands of the Socialists than to any real advances made. Suarez gained only two seats more than in 1977; in spite of the built-in advantages of incumbency and an electoral system biased slightly in his favor, he could not win an absolute majority.

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Socialist bitterness, too, seems to reflect dashed hopes rather than a significant defeat. Preelection Socialist boasts--based on opinion polls and heady optimism--that they would win more votes than the Center and that, even if they won fewer seats, Suarez would not be able to form a government without them seem rash in retrospect. The Socialists are also dazed by the abrupt halt to the seemingly inexorable forward momentum built up during and after the last election. [REDACTED]

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Communist crowing is also hard to explain purely on the basis of election returns. They showed more improvement than any other national party, increasing their representation by three or possibly four seats and upping their share of the vote by almost 2 percent, but their elation seems to derive mostly from the discomfiture of their major rivals on the left, the Socialists. [REDACTED]

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RETURNS OF THE 1 MARCH SPANISH PARLIAMENTARY ELECTION

Party*	<u>Congress of Deputies</u>		<u>Senate</u>	
	1979	1977	1979	1977
UCD	167	165	120	106
PSOE	121	118 ²	65	48 ³
PCE	23 ¹	20	-	-
AP/CD**	9 ¹	16	2	2
Catalan CU	9	11	1	
PNV	7	8	8	4
HB	3	-	1	-
EE	1	1	-	1

*UCD--Union of the Democratic Center; PSOE--Spanish Socialist Workers Party; PCE--Communist Party; CD--Democratic Coalition; Catalan CU--Convergencia Y Unio; PNV--Basque Nationalist Party; HB--Herri Batasuna (Basque extremist); EE--Euskadiko Eskerra (Basque extremist).

**Most of the 1977 Popular Alliance joined forces under Fraga with Osorio and Areilza to form the CD in 1979.

¹One Madrid seat is being disputed and could move from the CD to the PCE.

²The subsequent merger with the PSP and the addition of two Catalan defectors gave the PSOE 125 seats.

³Other PSOE senators are "hidden" in electoral alliances; its true strength is closer to 60.

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25X1 Alone among the four major parties, the rightist Democratic Coalition seems completely justified in its reaction. Having fallen disastrously from 16 seats to 9, party delegates are left with the choice of sweeping the coalition quietly under the rug and joining Suarez' party or trying to maintain their unity in hope of trading on their nine votes--which would give Suarez an absolute majority. [REDACTED]

On the Other Hand

25X1 These relatively small shifts are more significant than they might seem at first. Suarez really is better off. Defections had weakened his party in the months prior to the election. Not only has he regained the lost ground and more, he has taken the opportunity to weed out dissidents and strengthen party discipline. Moreover, by breaking the Socialists' momentum and reaffirming the ascendancy of the Center, he may have made an impact on the voters that will serve him well in the municipal elections coming up on 3 April. Although Suarez will probably still seek consensus on important issues, he will be dealing from a position of greater strength. [REDACTED]

25X1 The Socialists have been hurt, not only by the demonstration of their fallibility, but also by their immature reaction to defeat. Their self-indulgent bitterness, their attempts to blame the outcome on Suarez' dirty tactics--charging that he scared Spanish voters into believing that the Socialists would radically alter Spain--and their railing against the electorate's stupidity are all likely to damage the carefully-nurtured image of a mature, responsible alternative to power. Then too, taking into consideration the merger last year with a splinter party and the addition of two Catalan defectors, the Socialists actually lost four seats in this election. [REDACTED]

25X1 Moreover, the setback may encourage party radicals to challenge Felipe Gonzalez' policy of moderation at the party congress in May, where he has vowed to recommend dropping Marxism from the party label. The effectiveness of their challenge will depend, at least in part, on the results of the municipal elections where victory in several large urban centers would partially offset the results of the national election. [REDACTED]

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The Communists, who were least happy with Suarez' decision to call elections, emerged strengthened. Though far behind Suarez and Gonzalez in electoral support, Carrillo is once again in the position of being able to do Suarez a good turn--by supporting him on parliamentary votes when the right, the regionalists, and the Socialists oppose the government. In exchange, Carrillo will seek enhancement of his party's reputation as a responsible actor on Spain's political stage with an importance out of proportion to its vote totals. [REDACTED]

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A key aspect of the Communists' bargaining leverage is their predominance in organized labor--as shown in last year's plant elections. This strength could become crucially important to Suarez if the Socialists and their labor arm, the General Union of Workers, veer to the left and refuse to cooperate on important pending economic and labor legislation. [REDACTED]

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Basques Vote Defiance

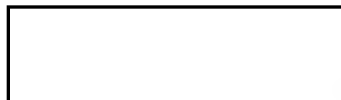
Characteristically, the most somber note of the election was struck in the troubled Basque region where nationalists of various stripes--ranging from those seeking some degree of autonomy to those demanding complete independence--garnered more popular votes than Centrists, Socialists, and Communists combined. The big gainers were not the relatively moderate Basque Nationalist Party--which has traditionally spoken for the vast majority of ethnic Basques--but the more extremist separatists who won close to 20 percent of the vote in the two most volatile provinces of the region. The Herri Batasuna coalition, many of whose leaders spent the electoral campaign in jail and which openly supports the most violent wing of the terrorist ETA organization, won nearly 200,000 votes--enough to elect three deputies. This is a sharp message of defiance to Madrid that will be heard just as clearly by the Basque Nationalists. As early as last December there were signs that the Basque Nationalists were undergoing an internal struggle between moderates and hardliners. The election results seem certain to strengthen the hardliners within the party and bode ill for future negotiations with Madrid over the region's autonomy statutes. [REDACTED]

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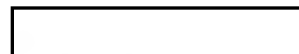
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Italy: Party Relations at the Local Level



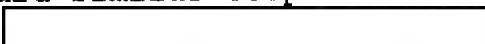
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Growing strains in relations among Italy's three major parties, which led to the collapse of the national government in January, were anticipated in many local governments. Local political developments during the past several months illustrate two general trends: the weakening of Christian Democratic - Communist cooperation and increased Socialist ambivalence toward both larger parties. These factors have already immobilized a number of key regional administrations and will threaten others unless relations among the parties improve at the national level. Meanwhile, there are signs that the composition of local governments could become a bargaining chip in the current maneuvering to form a new national government.



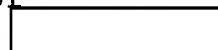
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The impressive Communist gains in the 1975 local and 1976 general elections--both times the party won more than a third of the vote--greatly improved the party's standing and contributed to the impression that Italy's pressing economic and social problems cannot be treated effectively without Communist assistance. The Communists' subsequent decision to support a Christian Democratic minority government at the national level--in return for an understanding that they would be consulted on major policy decisions--encouraged a trend toward similar cooperation in many local administrations.



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Communist gains in areas where the party had been weak gave it the leverage to work out formal consultative arrangements with Christian Democratic - led governments--in return for Communist support in local legislatures. And in traditional Communist strongholds, the party's gains led not only to an increased number of Communist-Socialist coalitions, but also to some instances of Christian Democratic support for such governments.



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Legend:

- Regional boundary
- Direct participation of Italian Communist Party
- Indirect or limited participation of Italian Communist Party

Scale: 0 100 Kilometers

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These arrangements seemed fairly stable until recently, but in the last few months the same factors that have soured interparty relations at the national level have begun to affect local politics. The Communists have been particularly anxious about the possible revival of Christian Democratic cooperation with their former Socialist allies. Consequently, the Communists have sought to work out more formal alliances with both parties in the regions where Communists dominate; elsewhere, they have increased their demands to participate fully in administrations they support. The Socialists have become increasingly concerned that Communist-Christian Democratic cooperation will weaken their party's political importance. They have recently attempted to be more independent in local government affairs by backing away a bit from the Communists without becoming too closely linked to the Christian Democrats. For their part, the Christian Democrats are reconsidering various commitments to cooperate with the Communists and are refusing to grant them new concessions in local administrations. Some of the Christian Democratic leaders apparently hope the growing differences among the parties will provide an opportunity for the Socialists to rejoin them in regional coalitions. [REDACTED]

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Regional Variations

The "Red Belt": The Communist Heartland

The Communists have been predominant in the north-central regions of Emilia-Romagna, Tuscany (Toscana), and Umbria throughout the postwar period. They have traditionally governed in these regions in coalitions with the Socialist Party. Communist gains in the 1975 regional elections allowed the party to put together similar leftist coalitions in three additional regions: Piedmont (Piemonte), Liguria, and Lazio. [REDACTED]

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Emilia-Romagna is a special case. With more than 48 percent of the vote, the Communists are stronger there than in any other region, and they have used that position to work out a unique arrangement under which the Communist-Socialist government formally negotiates its program with the Christian Democrats, who are then pledged to support it in the regional assembly. This is a reversal of the arrangement that has governed

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Christian Democratic - Communist relations at the national level for most of the last two and a half years. Last fall, Communist efforts to reaffirm and expand the program agreement with the Christian Democrats met with stiff resistance from the latter, who threatened to withdraw their support. They apparently were concerned that the arrangement would become institutionalized--and might further blur party distinctions with respect to local administrative policy. [redacted]

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During the past several months, the Socialists have been eager to antagonize the Communists--especially in Tuscany--on isolated but controversial issues such as the Communists' equivocal position on the questions of Soviet dissidents and the presence of Warsaw Pact troops in Czechoslovakia. Because the Socialists are reluctant to jeopardize their relationship with the Communists in Tuscany--the Socialists have offices and influence in this region that outweigh their electoral strength--they refuse to make a definitive break. For their part, the Communists have refused to make administrative policy changes in the Socialists' interest. The Communists in some Tuscan towns have even stripped uncooperative Socialists of their municipal offices to emphasize this point. [redacted]

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The Communists in Sicily, Lombardy, and the Northeast:
One Foot in the Door

Although different in most other respects, these regions are limited by one key political attribute: they all have regional administrations led by Christian Democrats, allied with the Socialists and some smaller parties, which enjoy Communist support. The Christian Democrats apparently agreed to these arrangements merely to bring the local situation into line with developments at the national level. The Communists view this cooperation as a step toward their eventual full participation in these administrations and for several months have increased their demands for such status. [redacted]

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Although the Communists show no signs of withdrawing, they might begin to disassociate themselves from these administrations by moving gradually toward the opposition as the 1980 regional elections approach.

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The Socialists have also timidly indicated their willingness to put some distance between themselves and the Communists in these areas. They are apparently prepared to support the Palermo city administration in Sicily (Sicilia) despite Communist opposition and to block changes in the Lombardy (Lombardia) and Venice (Veneto) regional program agreements proposed by the Communists. But in the city of Milan--where the Socialist mayor remains in office at the pleasure of the Communists--the Socialists show no inclination to irritate their allies.

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The Communists in Calabria, Campania, and Apulia:
Prying the Door Open

Tensions among the three parties have been most pronounced in these southern regions. The Communists have had less influence in these regional administrations, even though they have formed part of the majority supporting their legislative programs. In recent months, the Communists have labeled the administration of each region ineffective and have withdrawn their support to emphasize their demands for full participation. They have also declared that adjustments in the programs would be inadequate, but have accepted an offer to lead a regional program control commission in Apulia--which would greatly increase Communist influence in the planning and distribution of funds--even if the party remained excluded from the administration. A similar arrangement proved ineffective in Calabria, and the Christian Democrats remain unwilling to offer such concessions in Campania. The Socialists hold the balance of power in both these provinces, but continue to support Communist demands rather than risking exposure to Communist attacks by siding with the Christian Democrats in these three-month-old disputes.

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Outlook

The withdrawal of Communist parliamentary support for the Andreotti government two months ago virtually eliminated local party initiatives to overcome inter-party tensions. And most such efforts are likely to remain stalled until the impasse at the national level is broken.

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At the national level, the renewed Communist insistence on direct participation in the Cabinet and the Christian Democrats' refusal to meet these demands are the most serious barriers to compromise. Since the Socialists refuse to support any government that excludes the Communists, it is unlikely that a formula acceptable to the parties can be reached without an early election. [REDACTED]

Even an election might not overcome these difficulties. But a vote that does not appreciably change the Italian political equation in numerical terms--the current prediction--could reinforce the impression that only a renewal of Christian Democratic - Communist cooperation offers a way out. Thus, the parties might eventually have to reconsider compromises they have already rejected. [REDACTED]

One solution, which was never specifically offered by the Christian Democrats or rejected by the Communists, is a pledge of greater cooperation between the parties at the local level, that is, full Communist participation in regional administrations in the south, Sicily, and the northeast. This alternative would probably be part of a larger compromise that included some independent leftists associated with the Communists in Cabinet posts and a greater role for the party in national government policymaking and implementation. [REDACTED]

It is uncertain whether local Christian Democrats would resist or obey directives from the national party to surrender some administrative authority to the Communists. Since interparty tensions reappeared first in the localities--where they are frequently more aggravated--they probably cannot be submerged so easily. [REDACTED]

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France: First Round of Cantonal Elections

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The cantonal elections on 18 March have been overshadowed by the crisis over unemployment, particularly in the steel industry, and by the European parliamentary election in June, in which the political parties see higher domestic stakes. Nevertheless, the contest will have a psychological impact and national implications. It is the first major test of electoral sentiment since the legislative election last March, and the sampling--half the electorate, or 18.6 million voters--is respectable.

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The balloting, which concludes on 25 March, is held every three years to elect half of the more than 3,500 cantonal representatives (general councilors) who serve six-year terms. Like the legislative elections, the cantonals are based on a two-round popular vote. To win a seat on the general council, the candidate must get either an absolute majority in the first round or a simple plurality in the second.

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The election takes place under strikingly different conditions than the last cantonals in 1976. Those elections, held during the halcyon days of the union of the left, showed spectacular progress for the Socialists and led observers to believe that the left was well-placed to win the legislative contest in 1978. Even though cantonal elections are notoriously poor harbingers of legislative elections, the left vote of over 56 percent in the first round was considered significant. More important in retrospect, was the Socialist sprint ahead of the Communists (26.5 percent versus 22.6 percent) no doubt a crucial element in the eventual Communist decision to scuttle the union of the left and make the left's loss of the 1978 elections virtually inevitable.

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Many observers--and particularly the prospective losers--tend to discount the cantonal elections in advance, arguing that general councilors deal only with mundane local matters such as roads and day-care centers, and

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that their influence over expenditures (largely in the hands of the centrally appointed prefects) is slight. Yet the general councils are steppingstones to higher political office and over 200 deputies and senators will be defending their local seats, although their positions at the national level will not be affected by the outcome. Also, since the French senate is elected by the general councilors, the conservative nature of that body is gradually changing as the left increases strength at the cantonal level. [REDACTED]

Despite all of the problems involved in analyzing cantonal elections, the results should provide a current reading on: the balance of forces between the governing coalition and the left; the relative strength of the Giscardian UDF versus the Gaullists and the Communists versus the Socialists; and the degree to which voter discipline operates on the second ballot in which voters on both the left and right are asked to transfer their support to the best-placed candidate after their first choice has stepped down. In the 1976 cantonal election there was considerable erosion of support from Socialist voters to the Communist candidate when the latter came in first. [REDACTED]

Like byelections last fall in which the left won all five seats at stake, the cantonals are likely to see a left protest victory that, despite the local nature of the contests, could justifiably be interpreted as a repudiation of government policies, particularly the economic program.* The government is especially worried that formerly progovernment areas, like Lorraine, where there have been violent demonstrations against layoffs in the steel industry, may move into the opposition camp or register heavy abstentions. Gaullist leader Jacques Chirac's joining with the opposition to call for a special parliamentary session to deal with unemployment must be seen in the light of his recognition that any initiative on employment two weeks before the cantonals can be electorally profitable. [REDACTED]

Yet the Socialists could also be expected to pay for the byzantine quarrels that obsess them and for their continued failure to produce a convincing alternative

*The left, however, has won a majority of the popular vote in every cantonal election since 1958.

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to the government's strategy. The Communists are a law unto themselves, but they are likely to see an erosion of their usually reliable electorate, partially for demographic reasons. One possibility is a fairly high abstention rate that could cloud election results that may be ambiguous at best.

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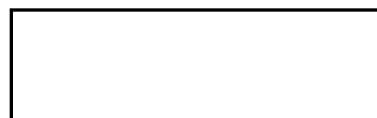
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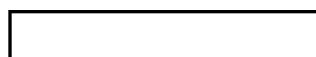
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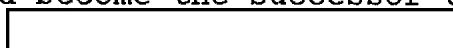
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Finland: Parlimentary Elections



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The results of the Finnish elections scheduled for 18-19 March are expected to show increased support for the country's four major parties as a group and a growing conservative attitude among the voters. This latter factor will have to be taken into account in the selection of a prime minister and the formation of a new coalition, which heretofore has excluded one of the major parties--the Conservatives. The Finns, however, will have to move carefully in order not to upset their relations with the Soviets, who have opposed the inclusion of Conservatives in the Helsinki government. The choice of a prime minister becomes increasingly important as this individual could become the successor to the aging President Kekkonen.



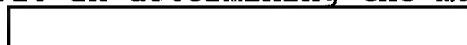
The Parties

Opinion polls taken over the past year show growing support for the Conservative Party, Finland's large non-socialist party, which has been excluded from government for more than a dozen years because of Soviet pressure. Although the Conservative Party has been pointedly supporting a foreign policy that Moscow finds acceptable in other Finnish parties, recent articles in the Soviet press indicate Moscow would try to prevent the party's inclusion in the next government.



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The Social Democratic Party--the leader of three coalitions during the last two years--may also gain marginally. As the largest party, the Social Democrats expect to lead the postelection government. Underscoring this anticipation, they have unofficially "nominated" Prime Minister Sorsa for the top position--irritating Kekkonen, who normally selects the prime minister and exercises a strong role in determining the makeup of the Finnish Government.



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The Center Party, the major nonsocialist party and longtime participant in Finland's governments, is expected to gain little. Its main backers are farmers, craftsmen, and small businessmen, and it is trying to build worker support in the service industries. [REDACTED]

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Finland's Communist Party, which functions through a leftist front party called the Finnish Peoples Democratic League, has been a model member of the coalition, helping to draft the conservative economic program adopted by the Cabinet last year. The front has made its inclusion in the postelection government an important part of its campaign. [REDACTED]

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Communist Labor Minister Aalto published a preelection call for a working class - bourgeoisie compromise under which the workers would give up their goal to take over private property in exchange for their inclusion in planning production, housing, and public services. Although Aalto claimed his concept would differ significantly from all current political-economic systems, in actuality it has much in common with the Swedish and nothing with the Soviet model. Aalto's purpose in presenting this plan may have been to counteract what is seen as a rightward drift among Communist Party supporters. The party fears this could lead to a shift in their allegiance to the Social Democratic Party. [REDACTED]

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Finland's five remaining parties, who together captured 15 percent of the vote in 1975, are all right-of-center parties. Polls indicate they will lose seats in this election. The maturing of the society may have reduced the need for these parties, which reflect language and religious differences, and the brighter outlook for the Conservative Party may encourage many of their members to support it. [REDACTED]

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Government Makeup

If the election results in no significant redistribution of power among the four large parties, Kekkonen would undoubtedly call on Sorsa to form a government that includes once again the Communist, Social Democratic, Center, and Liberal Parties. The coalition might be enlarged to include the small Swedish Peoples Party, which dropped out of the government a year ago because

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25X1 it could not support a constitutional change that would diminish the power of the smaller parties. The new government would continue the same programs as its predecessor. [REDACTED]

If the Conservatives win close to the 10 seats indicated in the most recent poll, they can be expected to press their claim to participate in the government.

[REDACTED]

25X1 If the Communists and Social Democrats--under pressure from Moscow--stand by their preelection statements and refuse to participate in a coalition with the Conservatives, a nonsocialist government may be formed. This could be either a majority coalition including all or most of the seven center and rightist parties or a Center-led minority government dependent on Conservative support. Neither would last long, however, because of the lack of labor support. [REDACTED]

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The socialist parties' pledge not to join a government that includes the Conservatives may turn out to be campaign rhetoric. In that case, Kekkonen will choose a prime minister with an eye to balancing the composition of the government. If the Conservatives do become part of the coalition, Kekkonen will have to choose a prime minister who is acceptable to the socialists--and Moscow. The Center Party has two potential candidates who are supported by different party factions. [REDACTED]

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[REDACTED] On the other hand, the Conservatives may be sidetracked to subcabinet posts, or cabinet posts given to technicians who have no active party role. A conservative flavor could still be added to the government by the choice of Bank of Finland Board Chairman Mauno Koivisto. Moscow and the left, although not among his supporters, could hardly exert pressure against him

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because he is a Social Democrat--albeit a decidedly conservative one. Undoubtedly, negotiations over the balance of power will be difficult and could lead to an extended period in which the present government continues in caretaker status or to a deliberate choice of a government without staying power. [REDACTED]

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Foreign Policy Implications

In contrast to other countries, foreign policy is important in all Finnish parliamentary campaigns. This time, because of Kekkonen's age, it assumes greater prominence. Kekkonen will be 79 this year, and there is a distinct possibility he will be forced from office by incapacity or death before the end of his term in 1984. In that event, the constitution provides that the prime minister become interim president until elections are held. The interim president would have an advantage in the subsequent presidential campaign. [REDACTED]

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The Finnish constitution gives the president prime responsibility for foreign policy, and Finnish-Soviet relations are the keystone of that policy. Moscow will, therefore, be especially sensitive to the choice of prime minister, even more so in light of the expected conservative tilt of the vote. Finnish politicians recognize Moscow's veto power over their choice of president, but whether they will submit to a heavy hand in their selection of a prime minister remains to be seen. [REDACTED]

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Domestic Policy Implications

The conservative tilt has already had its effect on domestic policy. Individual party policy prescriptions, though focusing on different economic ills or responding to different pressures, generally recognize the same problems and call for similar remedies. The present center-left government pursued a "capitalistic" line in targeting stimulative measures on business and exerted strong pressure on labor to accept wage increases only marginally higher than the rate of inflation. [REDACTED]

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National-level labor negotiations begun in late 1978 were tough and nearly failed to produce an umbrella agreement. Failure would have brought serious confrontations both between labor and the government and among

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the coalition partners. In early January, the labor unions--representing about two-thirds of the work force--signed a one-year package that includes: a small wage increase with a little more promised for the end of the year and early next year; a slight reduction in withholding taxes; and some improvements in a variety of fringe benefits. This surprisingly moderate settlement, the first national agreement since 1976, appeased all factions and effectively stilled the incomes question as a campaign issue. But it was built on--and underscores the importance of--inclusion of the socialist parties in the government because of their close association with the unions.

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